

AMENDED IN ASSEMBLY JUNE 2, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

**ASSEMBLY BILL**

**No. 265**

**Introduced by Assembly Member Mullin**

February 4, 2003

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~~An act to amend Sections 22134, 22664, 24201, and 24600 of, and to repeal Sections 22134.5, 22135, and 22136 of, the Education Code, An act to amend and repeal Section 22954 of, to add Section 22955.1 to, and to repeal and add Section 22954.1 of, the Education Code, relating to state teachers' retirement, and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 265, as amended, Mullin. State teachers' retirement: ~~final compensation~~ *appropriations.*

*(1) Under the existing Teachers' Retirement Law, a continuous appropriation equal to 2.5% of creditable compensation, as specified, is made annually from the General Fund for transfer to the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund to fund purchase power protection payments to retired members of the Defined Benefit Program of the State Teachers' Retirement System. Existing law decreases that appropriation by \$500,000,000 for the 2003–04 fiscal year.*

*This bill would eliminate that appropriation for the 2004–05 fiscal year and would provide that a specified percentage, as adjusted by the Teachers' Retirement Board, of that creditable compensation shall be credited to the Supplemental Benefit Maintenance Account each year*

for 10 years commencing July 1, 2010. The bill would make related legislative findings.

(2) Existing law requires the Teachers' Retirement Board, beginning in 2006 and every 4 years thereafter, to report to the Legislature and the Department of Finance regarding the ability of the retirement system to pay purchase power protection payments in each fiscal year until 2036 and appropriates funds, as determined by the actuary and certified by the Director of Finance, as necessary to enable the Teachers' Retirement System to make those payments, as specified, until June 30, 2036.

This bill would delete that requirement.

(3) Under the Teachers' Retirement Law, on and after July 1, 2003, a continuous appropriation equal to 2.541 of creditable compensation, as specified, is to be made annually from the General Fund to the Teachers' Retirement Fund.

This bill would make an additional continuous appropriation from the General Fund to the Teachers' Retirement Fund each July 1 from July 1, 2010, to July 1, 2019, inclusive, in an amount equal to a percentage, based on the average annual rate of return on the investment of funds in the Teachers' Retirement Fund for a specified period, of creditable compensation, as specified.

~~Under existing law, retirement benefits for members of the Defined Benefit Program of the State Teachers' Retirement Plan are based upon, among other things, the member's final compensation. For that purpose, final compensation is defined as the highest average annual compensation earnable by a member during any period of 3 consecutive school years; except that, for classroom teachers and members with 25 or more years of credited service, final compensation is defined as the highest average annual compensation earnable by the member during 12 consecutive months, as specified.~~

~~This bill would define final compensation for all members of the Defined Benefit Program as the highest average annual compensation earnable by the member during 12 consecutive months, as specified, and would make related technical and conforming changes. The bill would declare the Legislature's intent that any increased costs resulting from the act would be paid from existing funds in the Teachers' Retirement Fund.~~

Vote: ~~majority~~  $\frac{2}{3}$ . Appropriation: ~~no~~-yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

~~SECTION 1. Section 22134 of the Education Code is~~  
 SECTION 1. *Section 22954 of the Education Code, as amended by Section 2 of Chapter 6 of the Statutes of 2003, First Extraordinary Session, is amended to read:*

22954. (a) Notwithstanding Section 13340 of the Government Code, commencing July 1, 2003, *and on each July 1 thereafter*, a continuous appropriation is hereby annually made from the General Fund to the Controller, pursuant to this section, for transfer to the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund.

(b) The total amount of the appropriation for each year shall be equal to ~~2.5 percent~~ *the percentage specified in the following schedule* of the total of the creditable compensation of the fiscal year ending in the immediately preceding calendar year upon which members' contributions are based for purposes of funding the supplemental payments authorized by Section 24415. However, for the 2003–04 fiscal year only, that appropriation is reduced by five hundred million dollars (\$500,000,000).

<i>Date of Payment</i>	<i>Percentage</i>
<i>July 1, 2003</i>	<i>2.5 percent</i>
<i>July 1, 2004</i>	<i>0 percent</i>
<i>July 1, 2005, and each July 1, thereafter</i>	<i>2.5 percent</i>

(c) The board may deduct from the annual appropriation made pursuant to this section an amount necessary for the administrative expenses of Section 24415.

(d) It is the intent of the Legislature in enacting this section to establish the supplemental payments pursuant to Section 24415 as vested benefits pursuant to a contractually enforceable promise to make annual contributions from the General Fund to the Supplemental Benefit Maintenance Account in the Teachers' Retirement Fund in order to provide a continuous annual source of revenue for the purposes of making the supplemental payments under Section 24415.

~~(e) This section shall become operative on July 1, 2003, if the revenue limit cost-of-living adjustment computed by the Superintendent of Public Instruction for the 2001–02 fiscal year~~

1 is equal to or greater than 3.5 percent. Otherwise this section shall  
2 become operative on July 1, 2004.

3 *SEC. 2. Section 22954 of the Education Code, as amended by*  
4 *Section 34 of Chapter 1021 of the Statutes of 2000, is repealed.*

5 ~~22954. (a) Notwithstanding Section 13340 of the~~  
6 ~~Government Code, commencing July 1, 1999, a continuous~~  
7 ~~appropriation is hereby annually made from the General Fund to~~  
8 ~~the Controller, pursuant to this section, for transfer to the~~  
9 ~~Supplemental Benefit Maintenance Account in the Teachers'~~  
10 ~~Retirement Fund. The total amount of the appropriation for each~~  
11 ~~year shall be equal to 2.5 percent of the total of the creditable~~  
12 ~~compensation of the immediately preceding calendar year upon~~  
13 ~~which members' contributions are based for purposes of funding~~  
14 ~~the supplemental payments authorized by Section 24415.~~

15 ~~(b) The board may deduct from the annual appropriation made~~  
16 ~~pursuant to this section an amount necessary for the administrative~~  
17 ~~expenses of Section 24415.~~

18 ~~(c) It is the intent of the Legislature in enacting this section to~~  
19 ~~establish the supplemental payments pursuant to Section 24415 as~~  
20 ~~vested benefits pursuant to a contractually enforceable promise to~~  
21 ~~make annual contributions from the General Fund to the~~  
22 ~~Supplemental Benefit Maintenance Account in the Teachers'~~  
23 ~~Retirement Fund in order to provide a continuous annual source~~  
24 ~~of revenue for the purposes of making the supplemental payments~~  
25 ~~under Section 24415.~~

26 ~~(d) This section shall become inoperative on July 1, 2003, if the~~  
27 ~~revenue limit cost-of-living adjustment computed by the~~  
28 ~~Superintendent of Public Instruction for the 2001-02 fiscal year~~  
29 ~~is equal to or greater than 3.5 percent. Otherwise this section shall~~  
30 ~~become inoperative on July 1, 2004. As of January 1, 2005, this~~  
31 ~~section is repealed unless a later enacted statute, that becomes~~  
32 ~~effective on or before January 1, 2005, deletes or extends the date~~  
33 ~~on which it becomes inoperative and is repealed.~~

34 *SEC. 3. Section 22954.1 of the Education Code, as added by*  
35 *Section 3 of Chapter 6 of the Statutes of 2003, First Extraordinary*  
36 *Session, is repealed.*

37 ~~22954.1. (a) Beginning in 2006, and every four years~~  
38 ~~thereafter, the board shall, based on an actuarial valuation~~  
39 ~~approved by the board, report to the Legislature and the Director~~  
40 ~~of Finance regarding the anticipated ability of the system to~~

1 provide the purchasing power protection contemplated by Chapter  
2 840 of the Statutes of 2001 during each year until June 30, 2036.  
3 The actuarial valuation shall take into consideration all expected  
4 contributions to the Supplemental Benefit Maintenance Account,  
5 expected expenditures from the account, and expected investment  
6 returns.

7 ~~(b) On July 30 of the calendar year following any calendar year~~  
8 ~~in which the board, as a result of the quadrennial valuation~~  
9 ~~required by subdivision (a), reports that the funds in the~~  
10 ~~Supplemental Benefit Maintenance Account will be insufficient in~~  
11 ~~any fiscal year before July 1, 2036, to provide the purchasing~~  
12 ~~power protection contemplated by Chapter 840 of the Statutes of~~  
13 ~~2001, there is hereby appropriated from the General Fund to the~~  
14 ~~Controller the amount necessary to provide that purchasing power~~  
15 ~~protection, as determined by the actuary, taking into consideration~~  
16 ~~all expected contributions to the Supplemental Benefit~~  
17 ~~Maintenance Account, expected expenditures from the account,~~  
18 ~~and expected investment returns, and subject to the limitation in~~  
19 ~~subdivision (c). The amount appropriated pursuant to this section~~  
20 ~~shall be transferred by the Controller to the Supplemental Benefit~~  
21 ~~Maintenance Account upon certification of the amount by the~~  
22 ~~Director of Finance.~~

23 ~~(c) The aggregate amount of funds appropriated pursuant to~~  
24 ~~subdivision (b) is limited to an amount equal to five hundred~~  
25 ~~million dollars (\$500,000,000) adjusted by the actual rate of return~~  
26 ~~on funds in the Supplemental Benefit Maintenance Account from~~  
27 ~~July 1, 2003, after taking into account any amount previously~~  
28 ~~appropriated pursuant to subdivision (b). In calculating this limit,~~  
29 ~~the sum of five hundred million dollars (\$500,000,000) shall be~~  
30 ~~treated as an initial principal amount, and this amount shall be~~  
31 ~~adjusted at the end of each fiscal year based on the actual~~  
32 ~~investment return of the Supplemental Benefit Maintenance~~  
33 ~~Account during the preceding fiscal year and shall be reduced by~~  
34 ~~any amounts appropriated pursuant to subdivision (b) as of the date~~  
35 ~~of the transfer.~~

36 ~~(d) This section shall become inoperative on July 1, 2036, and,~~  
37 ~~as of January 1, 2037, is repealed, unless a later enacted statute that~~  
38 ~~is enacted before January 1, 2037, deletes or extends the dates on~~  
39 ~~which it becomes inoperative and is repealed.~~

SEC. 4. Section 22954.1 is added to the Education Code, to read:

22954.1. On each July 1, from July 1, 2010, to July 1, 2019, inclusive, an amount equal to 0.74 percent of the total of the creditable compensation of the fiscal year ending in the immediately preceding calendar year upon which members' contributions are based shall be credited to the Supplemental Benefit Maintenance Account. This rate shall be adjusted by the board to reflect any changes in the rate of interest credited to accumulated reserves pursuant to subdivision (b) of Section 22216.

SEC. 5. Section 22955.1 is added to the Education Code, to read:

22955.1. (a) In addition to the amount appropriated pursuant to Section 22955, and notwithstanding Section 13340 of the Government Code, on each July 1, from July 1, 2010, to July 1, 2019, inclusive, a continuous appropriation is hereby made from the General Fund to the Controller for transfer to the Teachers' Retirement Fund. The total amount of each appropriation made pursuant to this section shall be equal to the percentage of the total of the creditable compensation of the fiscal year ending in the immediately preceding calendar year upon which members' contributions are based set forth opposite the actual average annual rate of return on the investment of funds in the Teachers' Retirement Fund from July 1, 2003, to June 30, 2010, set forth in the following schedule:

<i>If the average annual rate of return is:</i>	<i>The Percentage is:</i>
<i>Less than 3.5 percent . . . . .</i>	<i>0.56 percent</i>
<i>At least 3.5 percent but less than</i>	
<i>5 percent . . . . .</i>	<i>0.62 percent</i>
<i>At least 5 percent but less than</i>	
<i>6.5 percent . . . . .</i>	<i>0.68 percent</i>
<i>At least 6.5 percent but less than</i>	
<i>8 percent . . . . .</i>	<i>0.74 percent</i>
<i>At least 8 percent but less than</i>	
<i>9.5 percent . . . . .</i>	<i>0.81 percent</i>
<i>At least 9.5 percent but less than</i>	
<i>11 percent . . . . .</i>	<i>0.88 percent</i>
<i>Equal to or greater than 11 percent . . . . .</i>	<i>0.96 percent</i>

(b) Of the amount appropriated pursuant to subdivision (a) on July 1, 2010, 95 percent shall be transferred to the Teachers' Retirement Fund on July 1, 2010, and the balance of the appropriation shall be transferred to the Teachers' Retirement Fund on September 1, 2010.

SEC. 6. The Legislature finds and declares that the actuary retained by the Teachers' Retirement Board has determined that the appropriations to the Teachers' Retirement Fund may be decreased and later increased in the manner prescribed by this act without impairing the actuarial soundness of the fund.

amended to read:

~~22134. (a) "Final compensation" means the highest average annual compensation earnable by a member during any period of 12 consecutive months while an active member of the Defined Benefit Program or time during which he or she was not a member but for which the member has received credit under the Defined Benefit Program, except time that was so credited for service performed outside this state prior to July 1, 1944. The last 12 consecutive months of employment shall be used by the system in determining final compensation unless designated to the contrary in writing by the member.~~

~~(b) For purposes of this section, periods of service separated by breaks in service may be aggregated to constitute a period of 12 consecutive months, if the periods of service are consecutive except for the breaks.~~

~~(c) The determination of final compensation of a member who has concurrent membership in another retirement system pursuant to Section 22115.2 shall take into consideration the compensation earnable while a member of the other system, provided that all of the following exist:~~

~~(1) The member was in state service or in the employment of a local school district or a county superintendent of schools.~~

~~(2) Service under the other system was not performed concurrently with service under the Defined Benefit Program.~~

~~(3) Retirement under the Defined Benefit Program is concurrent with the member's retirement under the other system.~~

~~(d) The compensation earnable for the first position in which California service was credited shall be used when additional compensation earnable is required to accumulate 12 consecutive~~



1 months for the purpose of determining final compensation under  
2 Section 23805.

3 (e) If a member has received service credit for part-time service  
4 performed prior to July 1, 1956, the member's final compensation  
5 shall be adjusted for that service in excess of one year by the ratio  
6 that part-time service bears to full-time service.

7 (f) The board may specify a different final compensation with  
8 respect to disability allowances, disability retirement allowances,  
9 family allowances, and children's portions of survivor benefit  
10 allowances payable on and after January 1, 2004. The  
11 compensation earnable for periods of part-time service shall be  
12 adjusted by the ratio that part-time service bears to full-time  
13 service.

14 SEC. 2. Section 22134.5 of the Education Code is repealed.

15 SEC. 3. Section 22135 of the Education Code is repealed.

16 SEC. 4. Section 22136 of the Education Code is repealed.

17 SEC. 5. Section 22664 of the Education Code is amended to  
18 read:

19 22664. The nonmember spouse who is awarded a separate  
20 account shall have the right to a service retirement allowance and,  
21 if applicable, a retirement benefit under this part.

22 (a) The nonmember spouse shall be eligible to retire for service  
23 under this part if the following conditions are satisfied:

24 (1) The member had at least five years of credited service  
25 during the period of marriage, at least one year of which had been  
26 performed subsequent to the most recent refund to the member of  
27 accumulated retirement contributions. The credited service may  
28 include service credited to the account of the member as of the date  
29 of the dissolution or legal separation, previously refunded service,  
30 out-of-state service, and permissive service credit that the member  
31 is eligible to purchase at the time of the dissolution or legal  
32 separation.

33 (2) The nonmember spouse has at least 2 1/2 years of credited  
34 service in his or her separate account.

35 (3) The nonmember spouse has attained the age of 55 years or  
36 more.

37 (b) A service retirement allowance of a nonmember spouse  
38 under this part shall become effective upon any date designated by  
39 the nonmember spouse, provided:

40 (1) The requirements of subdivision (a) are satisfied.



~~(2) The nonmember spouse has filed an application for service retirement on a form provided by the system, that is executed no earlier than six months before the effective date of the retirement allowance.~~

~~(3) The effective date is no earlier than the first day of the month in which the application is received at the system's office in Sacramento and the effective date is after the date the judgment or court order pursuant to Section 22652 was entered.~~

~~(c) (1) Upon service retirement at normal retirement age under this part, the nonmember spouse shall receive a retirement allowance that shall consist of an annual allowance payable in monthly installments equal to 2 percent of final compensation for each year of credited service.~~

~~(2) If the nonmember spouse's retirement is effective at less than normal retirement age and between early retirement age under this part and normal retirement age, the retirement allowance shall be reduced by one-half of 1 percent for each full month, or fraction of a month, that will elapse until the nonmember spouse would have reached normal retirement age.~~

~~(3) If the nonmember spouse's service retirement is effective at an age greater than normal retirement age and is effective on or after January 1, 1999, the percentage of final compensation for each year of credited service shall be determined pursuant to the following table:~~

Age at Retirement	Percentage
60 <sup>1</sup> / <sub>4</sub> .....	2.033
60 <sup>1</sup> / <sub>2</sub> .....	2.067
60 <sup>3</sup> / <sub>4</sub> .....	2.10
61 .....	2.133
61 <sup>1</sup> / <sub>4</sub> .....	2.167
61 <sup>1</sup> / <sub>2</sub> .....	2.20
61 <sup>3</sup> / <sub>4</sub> .....	2.233
62 .....	2.267
62 <sup>1</sup> / <sub>4</sub> .....	2.30
62 <sup>1</sup> / <sub>2</sub> .....	2.333
62 <sup>3</sup> / <sub>4</sub> .....	2.367
63 and over .....	2.40

~~(4) In computing the retirement allowance of the nonmember spouse, the age of the nonmember spouse on the last day of the month in which the retirement allowance begins to accrue shall be used.~~

~~(5) Final compensation, for purposes of calculating the service retirement allowance of the nonmember spouse under this subdivision, shall be calculated according to the definition of final compensation in Section 22134, and shall be based on the member's compensation earnable up to the date the parties separated, as established in the judgment or court order pursuant to Section 22652. The nonmember spouse may not use any other calculation of final compensation.~~

~~(d) Upon service retirement under this part, the nonmember spouse shall receive a retirement benefit based on an amount equal to the balance of credits in the nonmember spouse's Defined Benefit Supplement account on the date the retirement benefit becomes payable.~~

~~(1) A retirement benefit shall be a lump-sum payment, or an annuity payable in monthly installments, or a combination of both a lump-sum payment and an annuity, as elected by the nonmember spouse on the application for a retirement benefit. Any retirement benefit paid as an annuity under this chapter shall be subject to Sections 22660 and 25011.~~

~~(2) Upon distribution of the entire retirement benefit in a lump-sum payment, no other benefit shall be payable to the nonmember spouse or the nonmember spouse's beneficiary under the Defined Benefit Supplement Program.~~

~~(e) If the member is or was receiving a disability allowance under this part with an effective date before or on the date the parties separated as established in the judgment or court order pursuant to Section 22652, or at any time applies for and receives a disability allowance with an effective date that is before or coincides with the date the parties separated as established in the judgment or court order pursuant to Section 22652, the nonmember spouse shall not be eligible to retire until after the disability allowance of the member terminates. If the member who is or was receiving a disability allowance returns to employment to perform creditable service subject to coverage under the Defined Benefit Program or has his or her allowance terminated under Section 24015, the nonmember spouse may not be paid a~~

~~retirement allowance until at least six months after termination of the disability allowance and the return of the member to employment to perform creditable service subject to coverage under the Defined Benefit Program, or the termination of the disability allowance and the employment or self-employment of the member in any capacity, notwithstanding Section 22132. If at the end of the six-month period, the member has not had a recurrence of the original disability or has not had his or her earnings fall below the amounts described in Section 24015, the nonmember spouse may be paid a retirement allowance if all other eligibility requirements are met.~~

~~(1) The retirement allowance of the nonmember spouse under this subdivision shall be calculated as follows: the disability allowance the member was receiving, exclusive of the portion for dependent children, shall be divided between the share of the member and the share of the nonmember spouse. The share of the nonmember spouse shall be the amount obtained by multiplying the disability allowance, exclusive of the portion for dependent children, by the years of service credited to the separate account of the nonmember spouse, including service projected to the date of separation, and dividing by the projected service of the member. The nonmember spouse's retirement allowance shall be the lesser of the share of the nonmember spouse under this subdivision or the retirement allowance under subdivision (e).~~

~~(2) The share of the member shall be the total disability allowance reduced by the share of the nonmember spouse. The share of the member shall be considered the disability allowance of the member for purposes of Section 24213.~~

~~(f) The nonmember spouse who receives a retirement allowance is not a retired member under this part. However, the allowance of the nonmember spouse shall be increased by application of the improvement factor and shall be eligible for the application of supplemental increases and other benefit maintenance provisions under this part, including, but not limited to, Sections 24411, 24412, and 24415 based on the same criteria used for the application of these benefit maintenance increases to the service retirement allowances of members.~~

~~SEC. 6. Section 24201 of the Education Code is amended to read:~~

~~24201. (a) A member may retire for service under this part upon written application for retirement to the board, under paragraph (1) or (2) as follows:~~

~~(1) The member has attained the age of 55 years or more and has at least five years of credited service, at least one year of which has been performed subsequent to the most recent refund of accumulated retirement contributions. The five years of credited service may include out-of-state service purchased pursuant to Section 22820. The number of years of credited service performed in California may not be less than the number of years necessary to determine final compensation pursuant to Section 22134.~~

~~(2) The member is credited with service that is not used as a basis for benefits under any other public retirement system, excluding the federal social security system, if the member has attained the age of 55 years or older and retires concurrently under one or more of the retirement systems with which the member has concurrent membership as defined in Section 22115.2.~~

~~(b) Application for retirement under paragraph (2) of subdivision (a) may be made even if the member has not earned five years of credited service.~~

~~SEC. 7. Section 24600 of the Education Code is amended to read:~~

~~24600. (a) A retirement allowance under this part begins to accrue on the effective date of the member's retirement and ceases on the earlier of the day of the member's death or the day on which the retirement allowance is terminated for a reason other than the member's death.~~

~~(b) A retirement allowance payable to an option beneficiary under this part begins to accrue on the day following the day of the retired member's death and ceases on the day of the option beneficiary's death.~~

~~(c) A disability allowance under this part begins to accrue on the effective date of the member's disability allowance and ceases on the earlier of the day of the member's death or the day on which the disability allowance is terminated for a reason other than the member's death.~~

~~(d) A family allowance under this part begins to accrue on the day following the day of the member's death and ceases on the day of the event that terminates eligibility for the allowance.~~

~~(e) A survivor benefit allowance payable to a surviving spouse under this part pursuant to Chapter 23 (commencing with Section 23850) begins to accrue on the day the member would have attained 60 years of age or on the day following the day of the member's death, as elected by the surviving spouse, and ceases on the day of the surviving spouse's death.~~

~~(f) A child's portion of an allowance under this part begins to accrue on the effective date of that allowance and ceases on the earlier of either the termination of the child's eligibility or the termination of the allowance.~~

~~(g) Supplemental payments issued under this part pursuant to Sections 24411, 24412, and 24415 to retired members, disabled members, and beneficiaries shall begin to accrue pursuant to Sections 24411, 24412, and 24415 and shall cease to accrue as of the termination dates specified in subdivisions (a) to (f), inclusive, of this section.~~

~~(h) Notwithstanding any other provision of this part or other law, distributions payable under the plan with respect to the Defined Benefit Program and the Defined Benefit Supplement Program shall be made in accordance with applicable provisions of the Internal Revenue Code of 1986, as amended, and related regulations. The required beginning date of benefit payments that represent the entire interest of the member in the plan with respect to the Defined Benefit Program and the Defined Benefit Supplement Program shall be either:~~

~~(1) In the case of a refund of contributions, as described in Chapter 18 (commencing with Section 23100) of this part and distribution of an amount equal to the balance of credits in a member's Defined Benefit Supplement account, as described in Chapter 38 (commencing with Section 25000) of this part, not later than April 1 of the calendar year following the later of the calendar year in which the member attains 70½ years of age or the calendar year in which the member terminates employment within the meaning of subdivision (i).~~

~~(2) In the case of a retirement allowance, as defined in Section 22166, not later than April 1 of the calendar year following the later of (A) the calendar year in which the member attains 70½ years of age or (B) the calendar year in which the member terminates employment within the meaning of subdivision (i), to continue over the life of the member or the lives of the member and~~

~~the member's option beneficiary, or over the life expectancy of the member or the life expectancy of the member and the member's option beneficiary.~~

~~(i) For purposes of subdivision (h), the phrase "terminates employment" means the later of:~~

~~(1) The date the member ceases to perform creditable service subject to coverage under this plan.~~

~~(2) The date the member ceases employment in a position subject to coverage under another public retirement system in this state if the compensation earnable while a member of the other system may be considered in the determination of final compensation pursuant to Section 22134.~~

~~SEC. 8. It is the intent of the Legislature that the funding for any increased costs resulting from the implementation of this act shall be derived from existing funds within the Teachers' Retirement Fund.~~